App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

REMARKS

These remarks are in response to the Final Office Action dated March 25, 2004, which has a shortened statutory period for response set to expire June 25, 2004. No extension of time is required.

Claims

Claims 1-12, 14-28, 30-44, and 46-54 are pending in the above-identified application. Claims 1-12, 14-28, 30-44, and 46-54 are rejected over prior art. Claim 8 is amended and Claims 2-7, 9-12, 14-15, 18-23, 25-28, 30-31, 33-44, and 46-48 remain as filed. Claims 1, 8, 16-17, 24, and 32 were previously amended, Claims 13, 29, and 45 were previously canceled, and Claims 49-54 were previously added. Reconsideration is requested.

Interview Summary

An interview summary was filed along with the previous response on December 8, 2003 regarding the telephone interview held between Examiner Melanie Kemper and Applicant's attorney Larry E. Henneman, Jr. on November 19, 2003. During the interview, three distinguishing aspects of Applicant's invention were discussed, which Applicant believes are not taught or suggested in either of the cited references (USPN 5,708,422 to Blonder et al. and USPN 6,529,725 to Joao et al.) either alone or in combination. The substance of the interview is re-presented herein for convenience.

1. Performing Verification Via A Remote Server

Original Claims 16 and 32 were directed to an embodiment of the invention where verification of transactions with an account-holder is accomplished by a computer that is remote with respect to the computer of the financial institution (e.g. a credit card company). Applicant referred to Fig. 1 of the drawings as an example, where the verification function can be accomplished by a verification company 108 that is remote from credit card company 106. The Examiner agreed that this aspect of Applicant's invention was not disclosed in the cited references, but indicated that Claims 16 and 32 did not clearly recite this subject matter. Claims 16 and 32 were amended for clarity. Further, independent Claims 50 and 53 were added, also clearly reciting the subject matter.

12 of 21

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

II. Account-holder Enablement/Disablement of the Verification Function

Original Claims 13 and 29 were directed to embodiments wherein the account-holder can selectively disable the verification function. Applicant pointed out that neither of the cited references disclosed this aspect of Applicant's invention. Although at least one of the cited references disclosed fields for criteria that would trigger verification, no means was provided for the card-holder to change these values. Rather, it appeared that the criteria were set by the credit card company, presumably according the customer's preferences, and would need to be changed by the credit card company. According to Applicant's invention, however, the card-holder can selectively enable/disable the verification function him/herself. For example, prior to dining out a card-holder could phone in and disable the verification function. Then, when paying for dinner with the card, the transaction would be approved in the conventional manner without verification (and the associated delay). After the transaction was processed, the card-holder could then phone in and turn the verification function back on again.

No agreement was reached with respect to whether this subject matter was allowable over the cited references. The unresolved issue was whether a device programmed to respond to verification requests on behalf of the account-holder can be fairly characterized as disabling the verification function. Applicant respectfully asserts that it cannot.

In the previous amendment, the subject matter of Claims 13 and 29 were amended into independent Claims 1 and 17, respectively.

III. Verification Process Initiated by the Account-holder

Original claims 8-12 and 24-27 were directed to embodiments of the invention where the computer system waits for the account-holder to initiate the verification process. Applicant pointed out that in both cited references the server initiates the verification process by sending a notification to the card-holder, and that this could be a disadvantage where, for example, a fraudulent user has also obtained the card-holder's verification communication device. The Examiner agreed that the cited references did not disclose this feature of Applicant's invention, but indicated that the claims were not so limited. In particular, the Examiner's position was that even though the servers of the cited references sent a notification, they still "waited for the account-holder to establish a connection." The Examiner suggested adding the limitation

13 of 21

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

"wherein notification to said account-holder is disabled" in order to make this distinction.
Applicant agreed.

Rejections Under 35 U.S.C. § 112

Claims 8, 24, 49, and 51 are rejected under 35 U.S.C. § 112, first paragraph. The
Examiner writes:

> The claim(s) contains subject matter which was not
> described in the specification in such a way as to reasonably
> convey to one skilled in the relevant art that the inventor(s), at the
> time the application was filed, had possession of the claimed
> invention. Upon further review of the specification, support for
> notification to the account holder being disabled was not found.

Applicant respectfully traverses.

Applicant's specification at page 17, lines 8-12 recites:

> Single bit initiate verification flag 516 indicates whether card-
> holder 102 wishes server to initiate the verification process, or if
> server 200 should wait for user 102 to initiate the verification
> process. If initiate verification flag 516 has a value of 1,
> interactive verification module 306 initiates the verification
> process with the associated card-holder (e.g., **e-mail, automated
> telephone call**, etc.). If initiate verification flag 516 has a value of
> 0, the associated card-holder must initiate verification (e.g., place
> telephone call to server 200, log onto server 200 via internetwork
> 110, etc.). (emphasis added)

Therefore, according to the above passage, interactive verification module 306 sends
notification to the card-holder in the form of an e-mail and/or an automated telephone call if
initiate verification flag 516 is set to a value of 1. Further, note that according to the methods
disclosed in Applicant's specification (e.g., Figs. 7-9) notification is provided as part of the
verification process. Thus, if initiate verification flag 516 is set to a value of 0, the card-holder
must initiate the verification process and, because notification is a part of the verification
process, does not receive any prior notification from interactive verification module 306. Thus,
Applicant's original specification clearly indicates that notification to the account-holder is
disabled when initiate verification flag 516 is set to a value of 0.

For at least the foregoing reasons, Applicant avers that Claims 8, 24, 49, and 51 comply
with 35 U.S.C. § 112, first paragraph, and respectfully requests withdrawal of the rejections of
those claims.

14 of 21

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Claim 8 is rejected under 35 U.S.C. § 112, second paragraph. The Examiner writes:

> Claim 8 is rejected under 35 U.S.C. 112, second paragraph,
> as being indefinite for failing to particularly point out and
> distinctly claim the subject matter which applicant regards as the
> invention. The language "operative to wait for said account-holder
> to initiate said connection with said account holder" is confusing.
> The claim was examined similar to claim 24 which includes
> waiting for the account-holder to initiate communication with the
> computer system.

Claim 8 is amended to recite (in part) "said authorization module includes an interactive verification module operative to wait for said account-holder to initiate said separate connection." Antecedent basis for "said separate connection" can be found in Claim 1. Applicant believes that amended Claim 8 is clear and is not confusing. Should the Examiner disagree, the Examiner is invited to suggest alternative language for Claim 8.

For the above reasons Applicant requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 112.

Rejections Under 35 U.S.C. § 102

Claims 1-6, 14, 16-22, 29-30, 32-38, 46, 48, 50, and 52-54 are rejected under 35 U.S.C. § 102 (b) as being anticipated by Blonder et al. (USPN 5,708,422). Claims 1-6, 8-9, 11, 14-22, 24-25, 27, 29-38, 40-41, 43, 46-49, and 51-52 are rejected under 35 U.S.C. § 102 (e) as being anticipated by Joao et al. (USPN 6,529,725).

Applicant respectfully traverses.

The standard for anticipation is set forth in M.P.E.P. § 2131 as follows:

> "A claim is anticipated only if each and every element as set forth
> in the claim is found, either expressly or inherently described, in a
> single prior art reference." Verdegaal Bros. v. Union Oil Co. of
> California, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). "The identical
> invention must be shown in as complete detail as is contained in
> the ... claim." Richardson v. Suzuki Motor Co., 9 USPQ2d 1913,
> 1920 (Fed. Cir. 1989).

15 of 21

> even though many other restrictions, obvious to those of ordinary
> skill in the art, may be requested by card owners or card issuers for
> inclusion in the profile of FIG. 3.

These passages teach that only transactions which violate pre-established conditions will need to be authorized. This is much different than "said authorization module responsive to instructions from said account-holder is operative to <u>automatically verify subsequent transaction approval requests</u> without further input from said account-holder," as recited by Claim 1. Initially, Applicant would like to point out that the above passage provides no indication that a user can connect with validation database 106 and change the pre-established conditions or that validation database 106 can receive "instructions from said account-holder." In addition, there is no indication that the pre-established conditions can completely suspend the verification process with the card-holder, such that subsequent transactions are automatically verified without further input from the account-holder. Rather, it appears that the pre-established conditions are set and remain static.

Next, Blonder et al., at column 2, lines 55-60 (line 60 of which is cited by the Examiner) provides:

> In accordance with certain other illustrative embodiments, the
> invention provides a method and a system which allow a principal
> to be automatically alerted to, and/or to promptly authorize, an
> agent-initiated transaction which may, for example, be deemed
> atypical based on a pre-stored profile specified by the principle.

Again, similarly to that discussed above, this passage only discloses that notification and/or authorization by the principle may be required for agent initiated transactions based on a pre-stored profile specified by the principle. The passage does not disclose that subsequent transactions are automatically verified <u>by the system</u> responsive to instructions from the account holder, nor does the passage disclose a particular method for receiving instructions from the account-holder.

The Examiner states that col. 14, line 35 through col. 15, line 27 of Blonder et al. teaches that "the process does suspend the verification process such that subsequent transactions are automatically verified." Applicant respectfully disagrees. The cited passage discusses an embodiment in which a confirmation code is used to verify one future transaction (col. 14, lines 43-45, col. 15, line 9). This process, however, does not suspend the verification process, such that subsequent transactions are automatically verified, but only provides an alternative way to

verify one particular transaction. All other transactions will require authorization by the card-holder/owner.

Turning to Joao, the Examiner states that col. 16, lines 10-35 disclose that the programmed authorization has features "including authorizing based on time, vendors, etc. at the central processing computer." The cited passage discusses a database storing specific limitations and/or restrictions that are placed on a particular account by the cardholder. Applicant respectfully asserts that placing limitations and/or restrictions on an account is different than receiving instructions from an account-holder "to automatically verify subsequent transaction approval requests without further input from said account-holder." Indeed, the passage does not teach that the cardholder can instruct the computer 3 to disable and/or modify the data stored in database 3h, such that subsequent transactions are automatically verified without further input from the cardholder. Therefore, Applicant respectfully asserts that Joao does not teach all the limitations of Claim 1.

With respect to the paragraph appearing at col. 11, lines 1-8 of Joao et al., Applicant respectfully asserts that "deferred authorization to the extent that a subsequent transaction would include a delayed authorization," as clarified by the Examiner, does not teach a system "wherein said authorization module responsive to instructions from said account-holder is operative to automatically verify subsequent transaction approval requests without further input from said account-holder," as recited by Claim 1. Therefore, Applicant respectfully asserts that Joao does not teach every limitation of Claim 1.

In summary, determining whether authorization is required based on predetermined authorization criteria is not the same as temporarily suspending the verification process. For example, consider the case where a particular transaction satisfies one but not all of a set of predetermined authorization criteria. According to the cited references, the transaction would not be approved without authorization by the card-holder. However, according to the invention as recited in Claim 1, the transaction would be automatically verified.

For at least the foregoing reasons, Applicant respectfully asserts that Claim 1 is distinguishable over the prior art of record.

Claims 2-6, 8-9, 11, and 14-16 depend either directly or indirectly from Claim 1 and are therefore distinguished from the cited prior art for at least the reasons provided above with respect to Claim 1.

App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Claims 17-22, 24-25, 27, 30-38, 40-41, 43, 46-48:

As previously amended, Claim 17 recites:

...
receiving instructions from said account-holder to selectively
enable or disable said step of electronically verifying said
transaction approval request; ...

Applicant respectfully asserts that Claim 17 is distinguishable over the prior art of record
for at least the same reasons provided above with respect to amended Claim 1.

Claims 18-22, 24-25, 27, 30-38, 40-41, 43, and 46-48 depend either directly or indirectly
from Claim 17, and are, therefore, distinguishable from the cited references for at least the same
reasons.

Claims 16, 32, 50 and 53-54:

Claims 16, 32, 50, and 53-54 are further distinguishable from the cited prior art for the
reasons set forth above in the interview summary. In particular, the prior art does not disclose a
system or method wherein the verification process is performed by a system remote from the
system performing the conventional credit approval. Indeed, during the interview the Examiner
indicated that this was the clearest distinction between Applicant's invention and the prior art.

Note that according to Claim 16, the "merchant is a financial institution that approves
transactions between said account-holder and retailers of goods or services." For example, the
merchant is a credit card company that transmits a verification request to the claimed system. In
other words, verification is carried out by a third party with respect to the credit card company.

For the above reasons, Applicant respectfully asserts that Claims 16, 32, 50, and 53-54
distinguish over the prior art of record.

Claims 8-12, 24-27, 40-43, 49, and 51-52:

Claims 8, 24, 49, and 51 are further distinguishable from the cited prior art for the
reasons set forth in the interview summary above. In particular, the prior art does not disclose a
system or method wherein the account-holder initiates the verification process without any prior
notification from the credit card company.

Claims 9-12, 25-27, 40-43, and 52 depend either directly or indirectly from one of Claims 8, 24, and 51, and are therefore distinguishable over the cited references for at least the same reasons.

For the above reasons Applicants request reconsideration and withdrawal of all rejections under 35 U.S.C. § 102.

Rejections Under 35 U.S.C. § 103

Claims 7 and 23 are rejected under 35 U.S.C. § 103 as being unpatentable over Blonder et al.. Claims 8-12, 15, 24-28, 31, 39-45, and 47 are rejected under 35 U.S.C. § 103 as being unpatentable over Blonder et al. in view of Joao et al..

Applicant respectfully asserts that, as previously amended, independent base Claims 1 and 17 obviate the obviousness rejections. In particular, in order to establish a prima facie case of obviousness, the prior art reference (or references when combined) must teach or suggest all of the claim limitations. M.P.E.P. §2143. However, as indicated above with respect to Claims 1 and 17, the cited references do not teach or suggest all of the limitations of the base claims. Thus, no prima facie case of obviousness is established with respect to the dependent claims.

For the above reasons Applicant requests reconsideration and withdrawal of the rejections under 35 U.S.C. § 103.

For the foregoing reasons, Applicant believes Claims 1-12, 14-28, and 30-54 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-12, 14-28, and 30-54, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicant's attorney at (269) 279-8820.
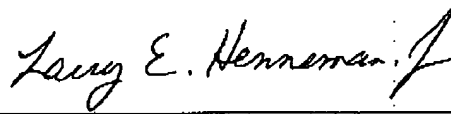
App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

Notice of Appeal

Applicant is aware that the current outstanding Office Action has been made final by the Examiner. Therefore, a Notice of Appeal along with the statutory fee is filed herewith to provide the Examiner with time to consider Applicant's remarks made herein. Further, Applicant respectfully requests an interview with the Examiner, at the Examiner's earliest possible convenience, to discuss the technical content of the cited references and to discuss alternative claim language, both of which may help to expedite the prosecution of this application by avoiding the unnecessary preparation and filing of an appeal brief.
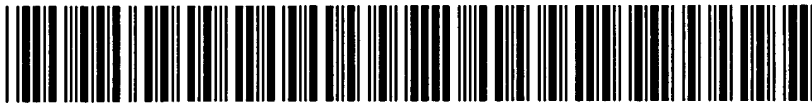
Respectfully submitted,

Date: 6/24/04

Larry E. Henneman

Larry E. Henneman, Jr., Reg. No. 41,063
Attorney for Applicant(s)
Henneman & Saunders
714 W. Michigan Ave.
Three Rivers, MI 49093

21 of 21

Creation date: 07-14-2004
Indexing Officer: TPHAM9 - TIEN PHAM
Team: OIPEBackFileIndexing
Dossier: 09617361

Legal Date: 06-24-2004

No.	Doccode	Number of pages
1	N/AP	1
2	LET.	2

Total number of pages: 3

Remarks:

Order of re-scan issued on ....